



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 94724 / April 14, 2022]

### Securities Exchange Act of 1934; Order Granting Petition for Review and Scheduling

#### Filing of Statements

##### **In the Matter of**

Financial Industry Regulatory Authority, Inc.

##### **Regarding an Order Granting the Approval of**

Proposed Rule Change, as Modified by  
Amendment No. 1, to Amend the Requirements  
for Covered Agency Transactions under FINRA  
Rule 4210 (Margin Requirements) as Approved  
pursuant to SR-FINRA-2015-036

This matter comes before the Securities and Exchange Commission (“Commission”) on petition to review the approval, pursuant to delegated authority, of the Financial Industry Regulatory Authority, Inc. (“FINRA”) proposed rule change to amend the requirements for covered agency transactions under FINRA Rule 4210.

On May 19, 2021, the Commission issued a notice of filing of the proposed rule change with the Commission pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder.<sup>3</sup> On June 30, 2021, FINRA extended the time period in which the Commission needed to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change to August 23, 2021.<sup>4</sup> On August 9, 2021, FINRA submitted Amendment

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Exchange Act Release No. 91937 (May 19, 2021), 86 FR 28161 (May 25, 2021) (SR-FINRA-2021-010).

<sup>4</sup> See letter from Adam Arkel, Associate General Counsel, Office of General Counsel, FINRA, to Sheila Swartz, Division of Trading and Markets (“Division”), Commission (June 30, 2021).

No. 1 to the proposed rule change. On August 20, 2021, the Commission issued a notice of filing of Amendment No. 1 to the proposed rule change, and proceedings were instituted under Section 19(b)(2)(B) of the Exchange Act<sup>5</sup> to determine whether to approve or disapprove the proposed rule change.<sup>6</sup> On October 26, 2021, FINRA extended the time period in which the Commission needed to approve or disapprove the proposed rule change to January 20, 2022.<sup>7</sup> On January 20, 2022, after consideration of the record for the proposed rule change, as modified by Amendment No. 1, the Division, pursuant to delegated authority,<sup>8</sup> issued an order approving the proposed rule change, as modified by Amendment No. 1 (“Approval Order”).<sup>9</sup>

Pursuant to Rule 430 of the Commission’s Rules of Practice,<sup>10</sup> on January 27, 2022 the Bond Dealers of America (“BDA”) and Brean Capital, LLC (“Brean Capital”) filed a notice of intention to petition for review of the Approval Order, and on February 3, 2022 BDA and Brean Capital filed a petition for review of the Approval Order. Pursuant to Rule 431(e) of the Commission’s Rules of Practice,<sup>11</sup> the Approval Order is stayed by the filing with the Commission of a notice of intention to petition for review.

Pursuant to Rule 431 of the Commission’s Rules of Practice,<sup>12</sup> the petition for review of the Approval Order is granted. Further, the Commission hereby establishes that any party to the action or other person may file a written statement in support of or in opposition to the Approval Order on or before [insert date 21 days from date of publication in the Federal Register].

For the reasons stated above, it is hereby:

---

<sup>5</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>6</sup> See Exchange Act Release No. 92713 (Aug. 20, 2021), 86 FR 47665 (Aug. 26, 2021) (SR-FINRA-2021-010).

<sup>7</sup> See letter from Adam Arkel, Associate General Counsel, Office of General Counsel, FINRA, to Sheila Swartz, Division, Commission (Oct. 26, 2021).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

<sup>9</sup> See Exchange Act Release No. 94013 (Jan. 20, 2022), 87 FR 4076 (Jan. 26, 2021) (SR-FINRA-2021-010).

<sup>10</sup> 17 CFR 201.430.

<sup>11</sup> 17 CFR 201.431(e).

<sup>12</sup> 17 CFR 201.431.

ORDERED that the petition of BDA and Brean Capital for review of the Division's action to approve the proposed rule change, as modified by Amendment No. 1, by delegated authority be GRANTED; and

It is further ORDERED that any party or other person may file a statement in support of or in opposition to the action made pursuant to delegated authority on or before [insert date 21 days from date of publication in the Federal Register].

It is further ORDERED that the January 20, 2022 order approving the proposed rule change, as modified by Amendment No. 1 (File No. SR-FINRA-2021-010), shall remain stayed pending further action by the Commission.

By the Commission.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2022-08334 Filed: 4/18/2022 8:45 am; Publication Date: 4/19/2022]